

EXHIBIT B

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF PENNSYLVANIA

EXECUTIVE CAR WASH :

OF MAPLE GLEN :

PLAINTIFF :

v. :

ENVIRONMENTAL, INC. :

and :

ENVIRONMENTAL HAZARD :

SERVICES, INC. :

DEFENDANTS :

COPY

NO. 02-CV-3747

FEBRUARY 4, 2004

Oral deposition of CHARLES
PAPPAS, taken pursuant to notice,
was held at the law office of Kaplin,
Stewart, Meloff, Reiter & Stein, P.C.,
350 Sentry Parkway, Building 640, Blue
Bell, Pennsylvania 19422 commencing at
1:49 p.m. on the above date, before
Stanley D. Krevitz, Jr., a court reporter
and notary public in the Commonwealth of
Pennsylvania.

ESQUIRE DEPOSITION SERVICES
1880 John F. Kennedy Boulevard
15th Floor
Philadelphia, Pennsylvania 19103
(215) 988-9191

1 Q. The bank never asked for any
2 Phase 1, does that ring a bell, Phase 1
3 evaluation?

4 A. Not when I did the initial
5 financing.

6 Q. How about when you did the
7 permanent financing?

8 A. When I refinanced in 1992,
9 it was the first time they had asked for
10 a Phase 1 study or an environmental
11 study.

12 Q. And what bank asked for
13 that?

14 A. I believe it was the same
15 bank I placed the permanent financing and
16 that was Fidelity Bank. And at that
17 point they may have been called First
18 Union or First Fidelity, but I believe it
19 was called Fidelity Bank.

20 Q. At the time you purchased
21 the property in 1988 did you acquire
22 insurance on the property?

23 A. Yes, I did.

24 Q. And who was the carrier?

1 B-a-t-h, who actually came in and
2 revamped and reworked some of the work
3 done by O'Connell. There was another
4 \$50,000 or so required in their work. In
5 addition to that, there was some site
6 work and improvements to the physical
7 structure of the building, an extension
8 of one of the sides of the building. So
9 between architectrual engineering and
10 some of the other physical changes to the
11 building, including the bathroom and
12 other cosmetic events, the total project
13 cost, out of pocket, between personal
14 funds and bank, there's a line of credit,
15 it was approximately \$625,000 to
16 \$650,000.

17 Q. And from 1988 to what year
18 did you expend this money?

19 A. 1992.

20 Q. In 1989 you said you got
21 permanent financing?

22 A. For the first portion of it.
23 It was permanent to the degree of which
24 it was secured partly by the property

1 Q. Did they require any
2 insurance of you, proof of insurance, on
3 the property to cover environmental
4 issues?

5 A. No.

6 Q. Do you recall what insurance
7 coverages, not necessarily limits, just
8 what was covered under your insurance
9 policy? General liability?

10 A. Fire.

11 Q. Personal liability? Trip
12 and falls?

13 A. I had personal liability,
14 yes.

15 Q. Auto accidents?

16 A. I believe there's also a
17 mechanics type of thing that occurs when
18 you're dealing with automobiles, so there
19 may have been some clause relating to
20 damage to an automobile as it goes
21 through the tunnel.

22 Q. Do you recall the policy
23 carrying any exclusions or endorsements
24 regarding any type of environmental

1 details as to what was involved in their
2 report or their findings other than the
3 fact that what they were going to
4 ultimately do was satisfactory.

5 Q. Do you know of Mr. Berkes?
6 Richard Berkes?

7 A. No.

8 Q. Does that name ring a bell
9 at all?

10 A. No.

11 Q. How about Dan Aquilino?

12 A. No.

13 Q. Are you aware that they're
14 the two gentleman that conducted the
15 Phase 1 examination?

16 A. I had no contact with them.
17 The only person with whom I had contact
18 was Mr. Carney.

19 Q. Okay. Were you on the site
20 at all when Environmental Hazard came to
21 do the evaluation?

22 A. No.

23 Q. Who was the manager at that
24 time?

1 A. I gave him a copy of my
2 original Phase 1.

3 Q. From 1992?

4 A. 1992.

5 Q. Okay.

6 A. I represented to him
7 everything I knew. And I said, If you
8 want another Phase 1 study, or Phase any
9 study, he's a good guy, call him. And I
10 believe Sannuti contacted Mr. Carney
11 directly.

12 Q. Okay.

13 A. And I'm unclear as to the
14 actual sequence of phone calls, I don't
15 know if I called Mr. Carney and engaged
16 his services or Mike Sannuti did. But in
17 either event, the purpose of the
18 subsequent environmental study was for
19 the sale to Mr. Bets, it was Mr. Bets
20 requesting the study. There was not any
21 financing institution that Mr. Sannuti
22 was involved with that I was aware of,
23 and it wasn't that I was inquiring, it
24 was the subsequent owner and buyer.

1 Q. So Mr. Sannuti had
2 Mr. Carney do a Phase 1; is that correct?

3 A. Say that again.

4 Q. Mr. Sannuti hired Mr. Carney
5 to do a Phase 1 evaluation in 2000?

6 A. Yes. He hired him to do a
7 study, and I suspect it was a Phase 1
8 study.

9 Q. Okay. And were you privy to
10 the outcome of that?

11 A. Yes. I think Mr. Sannuti
12 told me that Mr. Carney's findings were
13 satisfactory and he was pleased and
14 submitted the report to Mr. Bets.

15 Q. Okay. And what was your
16 knowledge as to why Mr. Bets wanted
17 something else?

18 A. I was not involved in any
19 direct discussions with Bets and Sannuti.
20 The next I heard was that there was
21 another environmental company involved in
22 doing yet a second study, and I was
23 unclear why when asked. I asked Sannuti
24 why and he said that some overseer

1 engineer that Bets uses required a more
2 detailed study; so I knew. Consequently
3 that was my first introduction to Roger
4 Edens and the Bell Environmental people,
5 because it was subsequent to those
6 discussions and their coming to the
7 property that I got involved in hearing
8 what was going on.

9 Q. And what did you hear about
10 what they were doing? I guess they found
11 underground storage tanks?

12 A. In some borings or
13 excavation of areas on the property, in
14 order to do their study, they hit a tank,
15 or what they felt was a tank. And that's
16 when I got a call from Michael Sannuti
17 that I had misrepresented to property to
18 him, that I had sold him a bill of goods,
19 that I was lying to him, and all of the
20 above things, that I was deceptive in my
21 anticipated agreement. And in trying to
22 quiet the situation, I went to the
23 property and met him when they were --
24 Mr. Carney or one of his designated

1 from them?

2 A. I think the check from them
3 was about \$90-some thousand dollars, of
4 which \$8,000 or \$9,000 was legal fees.
5 And half of which was escrowed by Sannuti
6 at the time of sale and the other half to
7 me. So I got returned about \$40,000.

8 Q. And who was that settlement
9 with, do you recall? What was it, ARCO,
10 Atlantic Richfield?

11 A. I don't know the title of
12 the company. I believe it was Atlantic
13 Richfield.

14 Q. Do you have a copy of the
15 release?

16 A. Yes.

17 MR. HAMILTON: Can I have a
18 copy of the release?

19 MR. KAPUSTIN: We'll take it
20 under consideration.

21 BY MR. HAMILTON:

22 Q. Have you received settlement
23 from anyone else regarding this property?

24 A. I received funds at the time

1 of sale of the property.

2 Q. I mean, did you pursue any
3 litigation or claim against any other
4 company other than Atlantic Richfield?

5 A. No. Besides Mr. Carney, no.

6 Q. Besides Mr. Carney?

7 A. No.

8 Q. Why have you pursued an
9 action against Environmental Hazard and
10 EHS Environmental?

11 A. It seems very clear. They
12 have caused me a great loss that has not
13 been compensated by the money I received
14 from ARCO.

15 Q. And isn't it true that
16 Mr. Carney is not responsible for the
17 installation of the underground storage
18 tanks?

19 A. I don't know who's
20 responsible. If you're claiming he is
21 not responsible, I'll take that at face
22 value. But I'm only going by the report
23 that he issued in 1992 that I had issued
24 to others who were contemplating

1 purchasing the property for a given
2 value, and this last person who was going
3 to buy it for a given value, it
4 compromised the purchase price
5 substantially both in rent and cost
6 accrued to fix this property and in the
7 cost of the ultimate conveyance of the
8 property because of the underground
9 storage tanks that were not disclosed
10 prior. So it has cost me a couple
11 hundred thousand dollars above and beyond
12 what you're looking at.

13 Q. Well, let's take for granted
14 Mr. Carney's company found the
15 underground storage tanks in 1992. Would
16 you not be responsible in 1992 for their
17 removal?

18 MR. KAPUSTIN: Object to the
19 form. You can answer.

20 THE WITNESS: Someone would
21 have been responsible for their
22 removal at that time. And in 1992
23 I also had an agreement, a lease
24 purchase agreement, with an

1 scribble (indicating).

2 Q. Yes. But only that one has
3 his name typed underneath it. And Gentle
4 Touch, Inc., is that Reinhardts Bets?

5 A. Yes.

6 Q. And that's Reinhardts Bets
7 personally and as Gentle Touch I presume.
8 Is this the \$40,000 that you earlier
9 testified to regarding the money you
10 received from the Atlantic Richfield
11 settlement?

12 A. This is the \$40,000 that was
13 escrowed at the time of my settlement.

14 Q. With Atlantic Richfield?

15 A. Mr. Bets.

16 Q. This is separate and apart
17 from the settlement with Atlantic
18 Richfield?

19 A. This is money out of my
20 pocket to Mr. Bets.

21 Q. It was held in escrow?

22 A. Held in escrow for the
23 remediation of the property.

24 Q. And if anything happens to

1 that property down the road regarding any
2 environmental problems, this protects you
3 from any liability from Mr. Bets?

4 A. Correct.

5 Q. And who prepared this
6 document for you?

7 A. This document was prepared
8 by either Mr. Meitner or Mr. Cades.

9 Q. And Mr. Cades was
10 Mr. Sannuti's attorney?

11 A. Yes.

12 MR. HAMILTON: Here's
13 another document Mr. Kapustin
14 produced, it's the settlement
15 statement, 259 and 260. Mark this
16 as Pappas-2.

17 - - -

18 (Pappas-2 was marked for
19 identification.)

20 - - -

21 BY MR. HAMILTON:

22 Q. Before I get to this
23 document, Doctor, I guess you sold the
24 property in -- I guess this settlement

1 statement reflects the sale of this
2 property; is that correct?

3 A. Yes.

4 Q. And that would be the date
5 of this document, January 8, 2001?

6 A. That's correct.

7 Q. And you instituted legal
8 action against Mr. Carney on June 13,
9 2002; is that correct? Mr. Carney's
10 company.

11 A. Yes.

12 Q. And at the time of your
13 instituting the legal action, you are not
14 the owner of the property any longer or
15 have any interest in that property; is
16 that correct?

17 A. That's correct.

18 Q. The document we have marked
19 as Pappas-2, is that familiar? Are you
20 familiar with this document (indicating)?

21 A. Yes, I am.

22 Q. In the first column,
23 "Summary Of Borrower's Transaction," it
24 says "Gross Amount Due From Borrower:

1 \$656,602.50." Do you see that?

2 A. Yes.

3 Q. Is that how much you
4 received for the property?

5 A. No.

6 Q. How much did you sell the
7 property for?

8 A. \$418,000.

9 Q. And was that money from
10 Mr. Sannuti or from Mr. Bets?

11 A. \$418,000 was received from
12 this agreement with Mr. Bets.

13 Q. Okay.

14 A. Mr. Sannuti exercised an
15 agreement with Mr. Bets I presume in
16 order to sell the property to him
17 directly.

18 Q. So Mr. Sannuti got \$238,000.
19 He got the difference from the \$418,000
20 and the \$656,00?

21 A. I don't see the settlement
22 sheet here. But if that's what you say,
23 it looks to me on the second page that --

24 Q. If says, on line item 815

1 "Option To Purchase" "Sanco Ventures,"
2 "233,633"?

3 A. Yes.

4 Q. So that money went to
5 Mr. Sannuti, Sannuti's company?

6 A. Sanco Ventures.

7 Q. And that's because he had
8 already made a prior arrangement with you
9 on the lease purchase agreement; correct?

10 A. Yes.

11 Q. So you had already received
12 money from Mr. Sannuti in consideration
13 for that agreement?

14 A. I had not already received
15 the payment. His agreement with me was
16 to pay me \$518,000 originally plus rent.
17 Because of the problems that occurred
18 here with this property, he reduced the
19 the price to \$418,000 to me and didn't
20 pay the rent according to the schedule.
21 So what I received here was \$100,000 less
22 than what I should have received.

23 Q. Was there any upfront cash
24 from Mr. Sanutti at the time of the lease

1 purchase agreement?

2 A. \$50,000 for prepayment of
3 rent, yes.

4 Q. For prepayment of rent. So
5 then when he collected the rent he would
6 just keep it?

7 A. He's not the lessor, he's
8 the lessee.

9 Q. So you picked up \$50,000?

10 A. At the time of the lease
11 purchase application.

12 Q. Plus another \$418,000?

13 A. Correct.

14 Q. And on line 1308, this
15 \$40,000 escrow, Gary Zlotnik, Esquire?

16 A. Yes.

17 Q. Is that the \$40,000 that is
18 alluded to in the General Release, Pappas
19 document number 1?

20 A. Yes, it is.

21 Q. So this depicts -- you got
22 the \$418,00 plus you got \$50,000 in
23 settlement charges; is that correct?
24 Line 502 on the first page.

1 A. I paid what it was worth
2 (laughs).

3 Q. You were satisfied with the
4 report and how much it cost?

5 A. Yes, I paid.

6 Q. But you had no involvement
7 in the selection of Atlantic Petroleum
8 Technologies?

9 A. None whatsoever.

10 Q. But when you read the report
11 you were aware that they had been
12 utilized by Environmental Hazard to do
13 that Fero Magnetic Locator test?

14 MR. KAPUSTIN: Objection.

15 Is it indicated in the report?

16 MR. HAMILTON: Yes, it is.

17 THE WITNESS: Yes.

18 BY MR. HAMILTON:

19 Q. In the report, section 4,
20 Executive Summary, it says "Underground
21 Storage Tanks." Take a look at that.
22 That's where it alludes to it being a
23 prior ARCO station; is that correct?

24 A. Yes.

1 Q. And then it mentions that
2 Environmental Hazards utilized the
3 services of a Fero Magnetic Locator;
4 correct?

5 A. Correct.

6 MR. KAPUSTIN: Conducted a
7 site survey utilizing the Fero
8 Magnetic Locator.

9 THE WITNESS: It did not say
10 anything about Atlantic Richfield
11 or Atlantic whatever company.

12 MR. HAMILTON: Atlantic
13 Petroleum Technologies.

14 THE WITNESS: Right.

15 BY MR. HAMILTON:

16 Q. When did you become aware
17 that Atlantic Petroleum Technologies
18 utilized the Fero Magnetic Locator?

19 A. I became aware that a
20 technique was used using a Fero Magnetic
21 Locator from the initial report in 1992.
22 I don't recall putting a name to the
23 company that actually did that until a
24 subsequent communication with

1 sheet (indicating) .

2 A. Correct. I would guess that
3 the \$40,000 would be on his .

4 Q. Wouldn't that be from his to
5 Gentle Touch?

6 A. Yes .

7 Q. So the \$40,000 came as a
8 result of the sale from him to Gentle
9 Touch, not from your proceeds?

10 A. It was not from my proceeds .
11 However, it is reflected in my proceeds
12 because the sale price of the car wash
13 was reduced by \$100,000 .

14 Q. But it's not substantiated
15 with an escrow of \$80,000 . It's only
16 showing an escrow of \$40,000?

17 A. That's correct. And as I
18 indicated, the other \$40,000 of this
19 \$80,000 was of course in escrow by
20 Mr. Sannuti .

21 Q. There's a listing of
22 invoices paid to GCI Environmental
23 Services .

24 A. Yes .

1 Q. Did you pay those bills?

2 A. They were paid from the
3 escrow.

4 Q. From the escrow. So who cut
5 the checks? Mr. Zlotnik?

6 A. Yes.

7 Q. And are there copies of
8 those checks or copies of the invoices?

9 A. No.

10 Q. They're all depicted here in
11 numerical order?

12 A. You'll see the invoices from
13 GCI to Mr. Zlotnik. You'll see Zlotnik's
14 bills for the legal services. You'll see
15 the bills from Bell Environmental. As
16 indicated under item 1, there was \$80,000
17 in escrow, and at the time this was
18 written there was \$8,436 left. The
19 remainder of the bills up to I think item
20 5 are bills that came through from
21 Zlotnik and they were paid by Zlotnik out
22 of the escrow, that's how I understand
23 it. But if you're asking me are there
24 copies of Zlotnik's law firm check to

1 those entities, I've never been furnished
2 those copies.

3 Q. I guess 2, 3 and 4 are also
4 payments to GCI, even though it's not
5 noted, because it lists invoice numbers?

6 A. Yes.

7 Q. Number 5, "Zarwin, Baum,
8 DeVito, Kaplan," what were they?

9 A. That is Mr. Zlotnik's fees
10 for adminstrating this.

11 Q. Escrow account?

12 A. Yes.

13 Q. And then there's another
14 bill, legal expenses to reconcile issues
15 with environmental company, Zlotnik and
16 EPA, that's \$19,600. Did you pay that?

17 A. I did not pay that. That
18 again came out of the escrow.

19 Q. Unpaid rent June 1, 2000, to
20 January 1, 2000.

21 A. It's more than this. But at
22 the time that this was presented, the
23 \$44,000 was a guesstimate as to how much
24 rent had not been paid.

1 Q. Didn't you get \$50,000
2 advance for the rent?

3 A. The total rent due during
4 the period of time of the agreement was
5 \$110,000. I got \$50,000, \$60,000 has not
6 been paid. As an accommodation to the
7 development of that property when Sannuti
8 was putting money into the rehab, as a
9 nice landlord I gave him a break and
10 said, "When you open again you'll pay
11 me." But by the time they got around to
12 opening, he was under agreement and
13 determined that the property was now
14 being misrepresented to him, so in effect
15 he has stuck me for that rent. And other
16 than that \$50,000 that he paid, prepaid,
17 and reduced the price of the property
18 from \$518,000 to \$418,000.

19 Q. So wouldn't you have a
20 course of action against Mr. Sannuti for
21 that?

22 MR. KAPUSTIN: Object to
23 form. You can answer.

24 THE WITNESS: I see that I

1 might have an action against Mr.
2 Sannuti, but this would not have
3 been caused had the company not
4 been misrepresented.

5 BY MR. HAMILTON:

6 Q. But in spite of that
7 allegation, Mr. Sannuti still owes you
8 the rent for that property?

9 MR. KAPUSTIN: Same
10 objection.

11 MR. HAMILTON: Correct?

12 MR. KAPUSTIN: You can
13 answer.

14 THE WITNESS: Yes. He still
15 owes me that rent, it hasn't been
16 paid.

17 BY MR. HAMILTON:

18 Q. Item D, "Loss of Business
19 for period June-January, \$10,000 a
20 month." That's unsubstantiated income.
21 Do you have tax returns to support that
22 you averaged \$10,000 a month in income?

23 A. I don't, but I have access
24 to tax returns that could. And this is

1 an either/or, either you're a landlord or
2 an operator. So in all honesty, if I'm
3 going to be paid rent, I'm not due any
4 profits unless I have some kind other a
5 lease that arranged that, but I do not.
6 So I wasn't paid rent. But if I'm going
7 to operate the property and not be a
8 landlord, I have a right to income from
9 that property and it would be
10 substantiated.

11 MR. HAMILTON: In that
12 regard, I'd like to have copies of
13 tax returns for those respective
14 years and the prior years.

15 MR. KAPUSTIN: For what
16 years?

17 MR. HAMILTON: June through
18 January; I presume that's 2000 and
19 2001.

20 MR. KAPUSTIN: But it wasn't
21 being operated during that time
22 period.

23 MR. HAMILTON: But then the
24 prior years, used for averaging or

1 Q. So in effect that's really
2 not --

3 MR. KAPUSTIN: Objection.
4 It's argumentative. You can
5 answer.

6 MR. HAMILTON: It's really
7 not an out-of-pocket expense on
8 your part due to the litigation,
9 it would have had to have been
10 paid anyway.

11 MR. KAPUSTIN: Same
12 objection.

13 BY MR. HAMILTON:

14 Q. "Services from Bell
15 Environmental Services." What are they
16 for.

17 A. They were for the
18 determination, definition of the problem,
19 and the need for the subsequent
20 environmental Phase study that was done
21 by Bell. And I had agreed with
22 Mr. Sannuti that I would pay half of
23 these fees.

24 Q. And the bill was for

1 \$33,000?

2 A. Unfortunately, yes.

3 Q. Did you hire Bell?

4 A. No.

5 Q. Who hired Bell?

6 A. Mr. Sannuti hired Bell; and
7 he blamed me and the reports that he had
8 been furnished.

9 Q. Do you know if Mr. Sannuti
10 had an interest in Bell Environmental?

11 A. To my knowledge he does not.

12 Q. And then the last item is
13 fees to Mr. Kapustin; is that correct?

14 A. Yes.

15 Q. At the time of your divorce
16 did your wife have any interest or effort
17 in gaining any income derived from the
18 car wash?

19 MR. KAPUSTIN: Object to the
20 form.

21 THE WITNESS: Income, sir?

22 I was not operating a car wash.

23 She had every right to a

24 percentage as determined in the

A. Settlement Statement

U.S. Department of Housing
and Urban Development

OMB No. 2502-0265

B. Type of Loan				5. File Number D284412		7. Loan Number		8. Mortgage Insurance Case Number	
1. <input type="checkbox"/> FHA		2. <input type="checkbox"/> FmHA		3. <input checked="" type="checkbox"/> Conv. Unins.					
4. <input type="checkbox"/> VA		5. <input type="checkbox"/> Conv. Ins.							
C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for information purposes and are not included in the totals.									
D. Name and Address of Borrower GENTLE TOUCH, INC.				E. Name and Address of Seller THE EXECUTIVE CAR WASH OF MAPLE GLEN,			F. Name and Address of Lender		
G. Property Location 601 WELSH ROAD aka 400 N LIMEKILN PKE UPPER DUBLIN TWP., MONTGOMERY COUNTY \$234,590 54-00-10180-00-8				H. Settlement Agent Trident Land Transfer			I. Settlement Date 01/08/01		
J. SUMMARY OF BORROWER'S TRANSACTION:				K. SUMMARY OF SELLER'S TRANSACTION:					
100. GROSS AMOUNT DUE FROM BORROWER				400. GROSS AMOUNT DUE TO SELLER					
101. Contract sales price				401. Contract sales price					
102. Personal property				402. Personal property					
103. Settlement charges to borrower (line 1400)				403.					
104.				404.					
105. Equipment Purchase				405. Equipment Purchase					
Adjustments for items paid by seller in advance				Adjustments for items paid by seller in advance					
106. City/town taxes to				406. City/town taxes to					
107. County taxes to				407. County taxes to					
108. School taxes to				408. School taxes to					
109.				409.					
110.				410.					
111.				411.					
112.				412.					
120. GROSS AMOUNT DUE FROM BORROWER				420. GROSS AMOUNT DUE TO SELLER					
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER				500. REDUCTIONS IN AMOUNT TO SELLER					
201. Deposit or earnest money				501. Excess Deposit (see instructions)					
202. Principal amount of new loan(s)				502. Settlement charges to seller (line 1400)					
203. Existing loan(s) taken subject to				503. Existing loans taken subject to					
204.				504. Payoff of first mortgage loan					
205.				505. Payoff of second mortgage loan					
206.				506.					
207.				507.					
208.				508.					
209.				509.					
Adjustments for items unpaid by seller				Adjustments for items unpaid by seller					
210. City/town taxes to				510. City/town taxes to					
211. County taxes to				511. County taxes to					
212. School taxes to				512. School taxes to					
213.				513.					
214.				514.					
215.				515.					
216.				516.					
217.				517.					
218.				518.					
219.				519.					
220. TOTAL PAID BY / FOR BORROWER				520. TOTAL REDUCTION AMOUNT DUE SELLER					
300. CASH AT SETTLEMENT FROM OR TO BORROWER				600. CASH AT SETTLEMENT TO OR FROM SELLER					
301. Gross amount due from borrower (line 120)				601. Gross amount due to seller (line 420)					
302. Less amounts paid by/for borrower (line 220)				602. Less reduction amount due to seller (line 520)					
303. CASH FROM BORROWER				603. CASH TO SELLER					
656,602.50				50,444.12					
656,602.50				418,000.00					
656,602.50				50,444.12					
656,602.50				367,555.88					

SUBSTITUTE FORM 1099 SELLER STATEMENT. The information contained herein is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported. The Contract Sales Price described on Line 401 above constitutes the Gross Proceeds of this transaction.

SELLER INSTRUCTIONS: To determine if you have to report the sale or exchange of your primary residence on your tax return, see the Schedule D (Form 1040) instructions. If the real estate was not your primary residence, complete the applicable parts of Form 4797, Form 6252, and for Schedule D (Form 1040).

You are required by law to provide the settlement agent with your correct taxpayer identification number. If you do not provide your correct taxpayer identification number, you may be subject to civil or criminal penalties imposed by law. Under penalties of perjury, I certify that the number shown on this statement is my correct taxpayer identification number.

TIN#

File Number: D284412

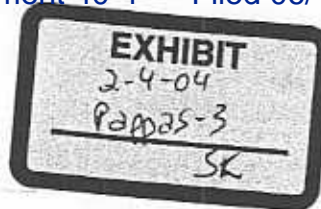
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
SETTLEMENT STATEMENT
PAGE 2

L. SETTLEMENT CHARGES:				PAID FROM BORROWER'S FUNDS AT SETTLEMENT	PAID FROM SELLER'S FUNDS AT SETTLEMENT
700. TOTAL SALES/BROKER'S COMMISSION based on price \$					
Division of commission (line 700) as follows:					
701. \$	to				
702. \$	to				
703. Commission paid at Settlement					
704.					
800. ITEMS PAYABLE IN CONNECTION WITH LOAN					
801. Loan Origination Fee	%	P.O.C.			
802. Loan Discount	%				
803. Appraisal Fee	to				
804. Credit Report	to				
805. Lender's Inspection Fee	to				
806. Mtg. Ins. Application Fee	to				
807. Assumption Fee	to				
808.					
809.					
810.					
811.					
812.					
813.					
814.					
815. OPTION TO PURCHASE & Tax Adjus	SANCO VENTURES, INC.				
900. ITEMS REQUIRED BY LENDER TO BE PAID IN ADVANCE			233,633.75		
901. Interest from	to @ \$	/day			
902. Mortgage Insurance Premium	to				
903. Hazard Insurance Premium	yr. to				
904.					
905.					
1000. RESERVES DEPOSITED WITH LENDER FOR					
1001. Hazard Insurance	mo. @ \$	/ mo.			
1002. Mortgage Insurance	mo. @ \$	/ mo.			
1003. City property taxes	mo. @ \$	/ mo.			
1004. County property taxes	mo. @ \$	/ mo.			
1005. School property taxes	mo. @ \$	/ mo.			
1006.	mo. @ \$	/ mo.			
1007.	mo. @ \$	/ mo.			
1008. Aggregate Reserve for Hazard/Flood Ins, City/County Prop Taxes, Mortgage Ins & Annual Assessments					
1100. TITLE CHARGES					
1101. Settlement or closing fee	to				
1102. Abstract or title search	to				
1103. Title examination	to				
1104. Title insurance binder	to				
1105. Document preparation	to				
1106. Notary fees	to WILLIAM M. LALLY				
1107. Attorney's fees	to A. VICTOR MEITNER, JR. P.C.		50.00		50.00
(includes above item No:)					7,760.00
1108. Title insurance	to Trident Land Transfer		2,418.75		
(includes above item No:)					
1109. Lender's coverage	-0-				
1110. Owner's coverage	\$416,000				
1111. Ends.					
1112. Closing Protection Letter	NONE				
1113.					
1200. GOVERNMENT RECORDING AND TRANSFER CHARGES					
1201. Recording fees	Deed \$; Mortgage \$; Releases \$				
1202. City/county/stamps	Deed \$ 2,500.00 ; Mortgage \$				
1203. State tax/stamps	Deed \$ 2,500.00 ; Mortgage \$				2,500.00
1204.			2,500.00		
1205.					
1300. ADDITIONAL SETTLEMENT CHARGES					
1301. Survey	to				
1302. Pest inspection	to				
1303.					
1304.					
1305. '99 Liened taxes	Montgomery County Tax Claim Bureau				94.12
1306. TAX CERT FEES	Trident Land Transfer Co.				40.00
1307.					
1308. Gary Zlotnick, Esq.	Escrow				40,000.00
1400. TOTAL SETTLEMENT CHARGES (enter on lines 103 and 502, Sections J and K)				238,602.50	50,444.12

GENTLE TOUCH, INC.
I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

The HUD-1 Settlement Statement which has been prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

Trident Land Transfer
Date
WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine or imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.



Option to Purchase

SCHOOL TAX 1-8 to 6-30-01

C-TWP 1-1 to 1-8

WASTE MAINTENANCE 1-1 to 1-8

\$

232,000-

1663.50

24.46

5.29

233,633.75

CK GARY ZLOTNICK, ESQ - ESCROW

-

40,000-

CK LONNY CADES, ESQ - PIAK CLEARANCE ESCROW

-

15,000-

CK " " " - STRECO IMPROVEMENT

-

1,000-

11 MOS '99 LIENED TAXES

-

5,356.52

2000 C-TWP TAX

-

2000-

2000 School TAX

-

4500-

'99 WASTE

-

261.83

'2000 "

-

241.44

(68,359)

\$ 165,273.96

CK MICHAEL SANNUATI

5000-

CK " "

21,500-

CK LONNY CADES, ESQ

15,000-

CK MICHAEL SANNUATI

123,773.96

165,273.96

EXCESS 2000 TAX ESCROW GOES TO MICHAEL SANNUATI

APPROVED BY:

Agreed to AND RECEIVED BY:

Lease Purchase Agreement

THIS AGREEMENT is made as of the 15th day of April between MAPLE GLEN JIFFY WASH, INC., a Pennsylvania Corporation, a/k/a THE EXECUTIVE CAR WASH OF MAPLE GLEN, INC., and CHARLES PAPPAS, Individually (collectively referred to as "Seller") and Sannco Ventures LLC, and/or Nominees and MICHAEL SANNUTI, Individually (collectively referred to as "Buyer"). In consideration of the mutual promises contained herein and intending to be legally bound, the parties agree as follows:

ARTICLE 1: LEASE

- 1.1 *Premises.* Seller hereby leases to Buyer, which hereby rents from Seller, ALL THAT CERTAIN lot or piece of ground together with the buildings and all improvements erected thereon, as more fully described on the legal description attached hereto as Exhibit "A" and made a part hereof (hereinafter called "the Premises") known as 601 Welsh Road, a/k/a 400 Limekiln Pike, Upper Dublin Township, Montgomery County, Pennsylvania, and including all inventory and equipment ("the Equipment") situated thereon and associated with the car wash business conducted on the Premises (hereinafter called "the Business").
- 1.2 *Use.* The Premises may be used and occupied for the conduct of the Business.
- 1.3 *Term.* The term of Buyer's lease of the Premises hereunder (the "Term") shall commence on February 1, 1999 and shall expire at midnight on the Closing Date (hereinafter defined), unless otherwise extended or terminated pursuant to the terms hereof, and unless extended by the terms of this Agreement, or by mutual agreement of the parties shall expire at midnight on July 31, 2000.
- 1.4 *Rent.* Buyer shall pay to Seller the amount of Fifty Thousand dollars (\$50,000.00), in cash or property receipt of which is hereby acknowledged for the lease term of February 1, 1999 to July 31, 2000 and is not refundable if ~~buyer defaults, however, if seller defaults for any reason, then seller must return monies applied to the property by the buyer.~~

UNDER ANY
CIRCUMSTANCES.



1.5 *Maintenance, alterations and Repairs.*

- (a) Buyer shall be responsible, at its sole expense, for the maintenance, operation and repair of the Premises, including all lawns, shrubbery and paved areas, and the Equipment, and shall at all times keep the sidewalks, driveways and parking areas on the Premises clean and free of snow or ice accumulation. Should Seller hereafter be required by law of other duly constituted authority to make any alterations, improvements or other changes to the Premises or the Equipment, Buyer shall perform such changes at its sole expense.
- (b) Upon receipt of Seller's written consent, which shall not be unreasonably withheld and shall be deemed given if not refused in writing within five (5) business days following Buyer's written request therefor, Buyer, at its sole discretion and at its expense, may make alterations or modifications to the Premises which Buyer may deem appropriate. Buyer further agrees, as a condition of this lease, to spend not less than the sum of Fifty Thousand Dollars (\$50,000.00) on the improvements to the Premises and in the event of default by buyer, then said improvements shall not be reimbursed, however, if improvements seller defaults, the seller must reimburse buyer of all reasonable improvement costs, UP TO A TOTAL OF \$100,000, INCLUDING DEPOSIT.
- (c) Buyer shall pay all bills incurred by it in connection with the maintenance, alteration or repair of the Premises or the Equipment by the date such bills are due and payable, and, Buyer agrees to pay all real estate taxes, assessments, and all other costs and expenses relating the Premises, it being understood that this Lease is a "triple-net" lease, with Buyer agreeing to be responsible for and to pay all expenses.
- (d) Upon the termination or expiration of this Agreement pursuant to Section 2.11, Buyer shall promptly surrender the Premises and the Equipment in good condition, reasonable wear and tear excepted.
- (e) No alteration shall be undertaken by Buyer until it shall have first secured and paid for all permits and authorizations of all municipal departments and governmental subdivisions having jurisdiction. Any alterations by Buyer shall be made promptly (unavoidable delays expected) and in a good workmanlike manner and in compliance with all applicable permits, authorizations and building and zoning laws and with all other requirements of all governmental authorities having jurisdiction and of any national or

local board of fire underwriters or any other body hereafter exercising functions similar to those of any of the foregoing.

- (f) The Premises shall at all times be free of liens for labor and material supplied or claimed to have been supplied to the Premises in conjunction with alterations performed by or for Buyer. If any mechanics' lien or other liens, charges or orders for the payment of money shall be filed against Seller, the Premises or any portion thereof on account of any alterations, maintenance or repair performed by or for Buyer, Buyer shall indemnify and save harmless Seller against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable counsel fees resulting therefrom, and at Buyer's own cost and expense cause the same to be discharged of record or bonded within ninety (90) days after written notice from Seller to Buyer of the filing thereof. Buyer shall not permit any mechanics' or similar liens to remain upon the Premises on account of any such alterations, modifications or repairs. Buyer may, however, contest the validity of any such lien or claim, provided Buyer shall upon demand give Seller reasonable security to insure payment and to prevent any sale, foreclosure or forfeiture of the Premises by reason of nonpayment. Upon the final determination of the validity of any such lien or claim, Buyer shall immediately pay any judgment or decree rendered against Buyer, Seller or the Premises, with all proper costs and charges and shall cause the lien to be released of record without costs to Seller.

1.6 *Compliance with Law.* Buyer shall at all times comply with the requirements of all constituted public authorities and with the terms of any state or federal statute or local ordinance or regulation applicable to the Premises and the Equipment or Buyer's use thereof.

1.7 *Insurance.*

- (a) During the Term, Buyer shall maintain public liability insurance with a minimum single limit for personal injury of \$1,000,000.00 for any one occurrence and of \$500,000.00 for property damage for any one occurrence. Such insurance shall name both Buyer and Seller as insureds, and shall not be cancelable with out at least thirty (30) days written notice to Seller.
- (b) During the Term, Buyer shall maintain fire and extended coverage insurance on the Premises in an amount at least equal to the full replacement value of the Equipment and all improvements erected upon the Premises as such

improvements may exist from time to time, with insurance companies licensed to do business in the Commonwealth of Pennsylvania. Such insurance shall name Seller and Buyer as co-insureds as their interests may appear and shall provide that the proceeds of any loss shall be payable to Buyer and Seller jointly. Buyer shall, at its election, apply such proceeds either to the payment of the Purchase Price (hereinafter defined) at Closing, or to defray the cost of restoration of the Premises and the Equipment.

- (c) Upon execution of this Agreement, Buyer shall provide Seller with certificates of insurance in a form acceptable to Seller to the extent of the aforementioned limits and amounts, which certificates shall be subject to cancellation only upon thirty (30) days notice to Seller.

- 1.8 *Casualty.* Damage to or destruction of the Equipment or the improvements on the Premises or any portion thereof by fire or other casualty shall not terminate this Agreement, entitle Buyer to surrender the Premises, or to any abatement of or reduction in rent, or otherwise affect the respective obligations of Seller or Buyer.
- 1.9 *Inspection.* Seller or its agents or employees shall have the right to inspect the Premises and to enter the Premises at all reasonable times for the purpose of inspecting the Premises and the Equipment and making any repairs that may be necessary to cause the Premises and the Equipment to comply with the laws, rules or regulations of any governmental authority having jurisdiction or that may become necessary by reason of the failure of Buyer after notice provided in Subsection 1.10(b) of this Agreement to maintain the Premises and the Equipment as required under the terms of Subsection 1.5(a) of this Agreement.
- 1.10 *Default.* The occurrence of any one or more of the following events shall be considered an "Event of Default" hereunder:
 - (a) The failure of Buyer to pay an installment of rent or any other sum payable by Buyer hereunder within five (5) days after receipt from Landlord of written notice of nonpayment thereof; provided, however, that if Seller shall have give Buyer two (2) notices of nonpayment in any calendar year it shall thereafter, for the remainder of such calendar year, be an Event of Default if Buyer shall fail to pay any installment of rent or any other sum payable hereunder when due.

- (b) The failure to perform, violation or breach by Buyer of any of the terms, covenants or conditions hereof, which failure, violation or breach shall continue unremedied by Buyer for a period of ten (10) days after written notice thereof shall have been given to Buyer by Seller, or for such additional period as may necessary to remedy such failure, violation or breach with due diligence.
- (c) The insolvency of Buyer as evidenced by an assignment by Buyer for the benefit of creditors, a Petition in Bankruptcy being filed by Buyer, the adjudication of Buyer as a bankrupt, the filing against Buyer of a petition for appointment of a receiver of all or any part of Buyer's assets or property, either in bankruptcy or other insolvency proceedings, unless such proceedings shall be stayed or dismissed within sixty (60) days after the filing thereof, or the levy against any portion of the assets or property of Buyer by the Sheriff or other designated authority of any governmental subdivision having jurisdiction therefor.

- 1.11 *Effect of an Event of Default.* Upon the occurrence of any Event of Default, Seller shall have the remedies set forth in Section 2.11 hereof.
- 1.12 *Quiet Enjoyment.* Seller covenants that Seller has the right and authority to enter into this Agreement and that subject to covenants, easements and restrictions of record and the zoning, building and other ordinances or requirements of the Township of Upper Dublin, Montgomery County, Pennsylvania, Buyer may peaceably and quietly have, hold and enjoy the Premises, provided that Buyer performs and fulfills all the terms, covenants and conditions of this Agreement.

ARTICLE 2: SALE

- 2.1 *Sale of the Premises and Business.* Seller agrees to sell, assign, transfer, and convey to Buyer, and Buyer agrees to purchase from Seller, upon the terms and conditions herein set forth, good, marketable, and insurable fee simple title to the Premises and the Business located thereon.

2.2 *Purchase Price.*

- (a) Amount of Purchase Price. The total purchase price and first year's nonrefundable rent to be paid by Buyer to Seller for the Premises and the Business (the "Purchase Price") shall be the sum of Five Hundred and Fifteen Thousand Dollars (\$518,000.00). The Buyer, upon signing of this agreement shall pay to Seller the sum of One Hundred Thousand Dollars (\$100,000.00) in cash, certified check or property, receipt of which is hereby acknowledged, and the balance of Four Hundred and Fifteen Thousand Dollars (\$418,000.00) in cash or certified check at the time of closing. The Purchase Price is allocated as follows:

Purchase Price of Equipment & Business	\$268,000.00
Purchase Price of Premises	\$250,000.00
Total	\$518,000.00

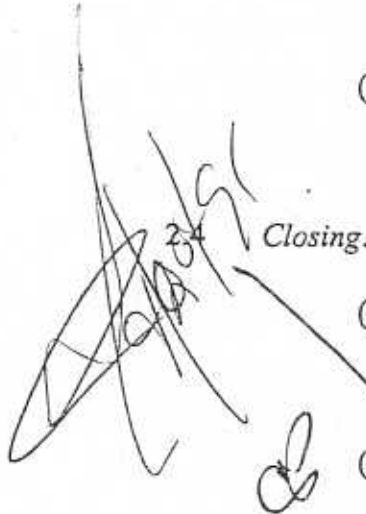
- (b) Payment of Purchase Price. The Purchase Price shall be paid to the Seller as follows:
- (i) Cash or check or property provided by Buyer to Seller on or before April 23, 1999 in the amount of One Hundred Thousand Dollars (\$100,000.00), receipt of which is acknowledged upon signing of this Agreement by Seller not refundable if Buyer defaults, however, if Seller defaults for any reason, then Seller must return all deposit monies to Buyer within 30 days.

2.3 *Closing Documents to be Delivered by Seller.* At Closing, Seller shall deliver to Buyer all of the following:

- (a) Deed. A special warranty deed (the "Deed"), duly executed, acknowledged, and in recordable form, conveying good, insurable and marketable title to the Premises to Buyer.

- (b) Bill of Sale. A bill of sale in form acceptable to Seller, duly executed, assigning and transferring title to the inventory, equipment or other personal property attached to or located on the Premises or the Improvements thereto to Buyer and warranty that such title is good, marketable and unencumbered.
- (c) Miscellaneous. Such other documents as reasonably may be required to fulfill Seller's obligations hereunder and effectuate the sale contemplated hereby.

2.4 Closing.



- (a) Place of Closing. The closing of this transaction ("Closing") shall be held at such place as the parties hereto may agree upon.
- (b) Closing Date. The "Closing Date" shall be on or before July 31, 2000.

2.5 *Representations and Warranties of Buyer.* Buyer makes the following representations and warranties to Seller, each of which representations shall survive Closing for the period of any statute of limitations applicable to it and shall not merge in the Deed:

- (a) Neither the execution and delivery of this Agreement nor compliance with the terms and conditions of this Agreement by Buyer will breach or conflict with any agreement or instrument to which Buyer is a party or by which it is bound, or constitutes a default thereunder; and the execution and delivery of this Agreement will not be in violation of or conflict with any of the terms of any law or regulation, order, judgment or decree applicable to Buyer, or to which Buyer is a party, or by which Buyer is bound.
- (b) There is no action, suit or proceeding pending, or, to the actual knowledge of Buyer, threatened against Buyer or any of them with respect to their ability to enter into this Agreement or complete the transactions contemplated hereby in any court or before any federal, state, county, or municipal department, bureau, commission, board or agency or other governmental instrumentality.

- (c) During the Term of Buyer's lease of the Premises, Buyer will not store, treat or otherwise dispose of Hazardous Substances upon the Premises; provided, however, that Buyer may use those Hazardous Substances commonly employed in connection with the Business and Premises in a manner consistent with all governmental rules and regulations pertaining thereto.
- (d) Buyer agrees to indemnify, defend, save and hold harmless Seller, its heirs, successors and assigns (the "Indemnitees") from and against, and to reimburse the Indemnitees with respect to, any and all claims, demands, causes of action, loss, damage, liabilities, costs and expenses (including, reasonable attorney's fees and expenses, court cost and costs of appeals) asserted against or incurred by the indemnitees by reason of or arising out of a breach of any of the representations and warranties of Buyer set forth in this Agreement, provided that the loss or damage shall be for direct loss and damages sustained and not consequential damages. Buyer shall not be responsible for any environmental claims, which have been deemed to have occurred prior to February 1, 1999.

2.6 *Zoning Classification.* Seller states that the zoning classification of the Premises is Shopping Center (SC) and the most recent use of the Premises for a car wash is permitted by current, applicable zoning laws. Seller certifies that there are not outstanding notices received by it or of which Seller has actual knowledge, of any uncorrected violation of any housing, building, safety or fire ordinances applicable to the Premises.

2.7 *Conditions of Premises.* Buyer acknowledges and understands that Seller is not making any warranty, express or implied, with respect to the quality, condition or fitness for a particular purpose of any of the Premises or business including, without limitation, equipment and fixtures, and Buyer accepts all of the Premises and business "AS IS" and "WITH ALL FAULTS" IN THE CONDITION EXISTING ON THE DATE OF SIGNING THIS AGREEMENT AND THROUGH THE CLOSING DATE AND, EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER EXPRESSLY DISCLAIMS TO BUYER AND TO ALL THIRD PARTIES ANY AND ALL WARRANTIES CONCERNING THE CONDITION OF THE PREMISES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, (A) ANY IMPLIED OR EXPRESS WARRANTY OF QUALITY, CONDITION OR MERCHANTABILITY, AND (B) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

2.8 *Release and Indemnity.*

- (a) **Buyer's Acknowledgement.** It is the intent of the parties hereto, and Buyer so acknowledges, that from and after the execution of this Agreement, Seller shall bear no liability of any kind whatsoever arising from or associated in any way with the Premises and Business that are the subject of this Agreement, except for any liability that occurred prior to February 1, 1999. Therefore, Buyer agrees to release and indemnify Seller pursuant to the following provisions.
- (b) **Release and Indemnity.** Buyer for itself, its successors and assigns, hereby releases and forever discharges Seller, its partners, employees, servants, agents and their respective successors and assigns (the "Released Parties"), which Buyer may have against the Released Parties, arising from or associated in any way with the Premises and the business which are the subject of this Agreement, whether or not such Claims arose or accrued before the date of this Agreement or arise or accrue hereafter, and regardless of whether such claims are caused solely or in part by the negligence or misconduct of the Released Parties, including but not limited to claims arising out of or in connection with (i) loss of life, bodily injury, personal injury or damages to person, (ii) damages to or loss of personal property or real property, (iii) any violation of any statutes, laws, ordinances, codes, rules or regulations of any government entity, (iv) any contamination or adverse effects on the environment, (v) other casualty or harm to air, ground water or other natural resources, the property or off-site property, and (vi) any costs of investigation, clean-up, preventative, restorative or mitigating measures, consultants and expert witnesses, court costs, administrative costs, costs of appeals and all fines and penalties that arise from or are in any way associated with the Premises and the Business that are the subject of this Agreement. This release and indemnity shall survive termination of this Agreement and delivery of the deed and any other instruments associated with the conveyance of the Premises and the Business to the Buyer. The Buyer is not responsible for any liability or claims prior to February 1, 1999.

and the Seller will allow all inspections as required by buyers lender.

(c) Statutory Waiver. With respect to any and all claims brought against a Released party by an employee of Buyer, Buyer for itself, its successors and assigns, hereby expressly agrees to waive any provision of the Worker's compensation Act whereby Buyer could otherwise preclude Buyer's joinder as an additional defendant, or avoid liability in any action at law or in equity or otherwise, where Buyer's employees, their heirs, assigns or anyone otherwise entitle to receive damages by reason of injury or death, brings and action against any Indemnified Party. The indemnification obligations accepted by Buyer under this Section shall not be limited in any way by any limitations on the amount of or type of damages, compensation or benefits payable by Buyer pursuant to the Worker's Compensation Act or Disability Benefit Act or any other employee benefit law, rule or regulation. Buyers agrees and acknowledges that by undertaking to indemnify a Released Party under this Section, Buyer is expressly undertaking indemnification liability by written contract pursuant to Section 303(b) of the Workers Compensation Act.

- 2.9 *Closing Documents to be Delivered by Buyer.* At closing, Buyer shall deliver or caused to be delivered to seller the Purchase Price, as adjusted in accordance with the provisions of this Agreement, and all other documents reasonably required for the consummation of the transaction contemplated hereunder.
- 2.10 *Taxes.* Transfer Taxes. Seller and Buyer shall each pay one-half (1/2) of any and all realty transfer taxes or conveyancing fees due any local or state governmental entity or authority in connection with the recording of the Deed or otherwise in connection with the consummation of the transactions contemplated by this Agreement.
- 2.11 *Default of Buyer.* Seller shall provide (20) twenty days written notice of default to Buyer. If, on the Closing Date, Buyer shall fail to perform its obligation hereunder in accordance with the terms of this Agreement Seller may either (i) terminated this Agreement, whereupon the Seller shall retain all rent and deposits theretofore paid by buyer hereunder the Buyer shall immediately vacate the Premises, or (ii) bring suit against Buyer for specific performance of is obligations under this Agreement. In addition, Seller shall be entitled to pursue all other remedies available in law or equity for any damages, costs and expenses that Seller may have sustained by reason of Buyer's default.

- (a) Upon Seller's termination of this Agreement pursuant to this Section 2.1, any Prothonotary or attorney of any court of record is hereby irrevocably authorized and empowered to appear for Buyer in any action to confess judgment against Buyer, and may sign for Buyer an agreement, for which this Agreement shall be his sufficient warrant, for entering in any competent court an action or actions in Ejectment, and any suits or in said actions to confess judgment against Buyer as well as all persons claiming by, through or under buyer for the recovery by Seller of possession of the Premises.
- (b) In any confession of judgment for Ejectment, Seller shall cause to be filed in such action an affidavit setting forth the facts necessary to authorize the entry of judgment and if a true copy of this Agreement (and of the truth of the copy, such affidavit shall be sufficient proof) be filed in such action, it shall not be necessary to file the original as a warrant of attorney notwithstanding any law, rule of court, custom or practice to the contrary. Buyer releases to Seller, and to any and all attorneys who may appear for Buyer, all procedural errors in any proceedings taken by Seller, whether by virtue of the powers of attorney contained in this Agreement or not, and all liability therefore. Buyer expressly waives the benefits of all laws, now or hereafter in force, exempting any property within the Premises or elsewhere from levy or sale. Buyer further waives the right to any notice to remove as may be specified in the Pennsylvania Landlord Tenant Act of April 6, 1951, as amended or similar or successor provision of law, and agrees that five (5) days notice shall be sufficient in any case where a longer period may be statutorily specified.

2.12 *Sellers Default.* If, on the Closing Date, Seller shall fail to perform its Obligations hereunder in accordance with the term of this Agreement, Seller shall return all deposit monies and reimburse all reasonable expenses to buyer within thirty (30) days.

(a)

ARTICLE 3: MISCELLANEOUS

3.1 *Notices.* All notices, requests and other communications under this Agreement shall be in writing and shall be sent by registered or certified mail, return receipt requested, postage prepaid, or by receipted hand delivery addressed as follows:

If intended for Seller:

C/O Charles Pappas, 1357 Gypsy Hill Road, Gwynedd Valley, PA 19437 with a copy to
A. Victor Meitner, Jr. Esquire, 50 Skippack Pike, Broad Axe, PA 19002

If intended for Buyer:

C/o Sannco Ventures LLC, and/or its Nominee, 80 Second Street Pike, Southampton, PA
18966, with a copy to Gregory Javardian, 44 Second Street Pike, Suite 203,
Southampton, PA 18966,

or to such other address or addresses or party or parties of which Sellers or Buyer shall
have given notice as herein provided. All such notices, request or other communications
shall be deemed to have been sufficiently given for all purposes hereof on the date of the
proper mailing thereof, and may be given on behalf of any party by its respective counsel.

- 3.2 *Modification.* This Agreement may be modified only by a written agreement signed by all parties.
- 3.3 *Captions.* The captions and headings in this Agreement are inserted for convenience of reference only, and in no way define, describe, or limit the scope or intent of this Agreement or any of the provisions hereof.
- 3.4 *Time Periods.* Any time periods provided herein which shall end on a Saturday, Sunday, or legal holiday, shall extend to 5:00 p.m. of the next full business day. All times specified in this Agreement shall be deemed of the essence of this Agreement.
- 3.5 *Counterparts.* This Agreement may be executed in any number of identical counterparts, all of which evidence only one agreement and only one of which need be produced for any purpose.
- 3.6 *Whole Agreement.* All understandings and agreements heretofore had between the parties hereto, whether oral or written, are merged into this Agreement which alone fully and completely expresses their agreement.
- 3.7 *Severability.* If any provision of this Agreement shall be declared invalid by judicial determination or by express act of any legislative body with authority to affect this Agreement, only such provision so declared invalid shall be thus affected, and all other provisions not inconsistent therewith or directly dependent thereon shall remain in full force and effect.
- 3.8 *Governing Law.* This Agreement shall be governed by and interpreted and enforced with the laws of the Commonwealth of Pennsylvania.

- 3.9 *Time of the Essence.* Time is of the essence in regard to the performance of the duties and obligations of the parties to this Agreement.
- 3.10 *Assignment.* This Agreement shall be binding upon the respective heirs, executors, administrators, successors and, to the extent assignable, on the assigns of the parties hereto, it being expressly understood, however, that the Buyer shall not transfer or assign this Agreement without first obtaining the written consent of the Seller.
- 3.11 *Condemnation.* If at or prior to Closing, all or any portion of the Premises is taken by exercise of eminent domain or condemnation, Seller shall give prompt written notice thereof to Buyer and Buyer shall have the option of either: (i) declaring this Agreement terminated by giving notice to Seller, in which event this Agreement shall be void and neither party hereto shall have any further obligation to the other pursuant to this Agreement; or (ii) accepting the deed and bill of sale to be executed and delivered in accordance with the terms of this Agreement upon payment of the Purchase Price without any abatement by reason of such taking or condemnation provided, however, that Seller shall, at Closing, turn over and deliver to Buyer the net proceeds of any award or other proceeds of such taking which may have been collected by Seller as a result of such taking, or if no award or other proceeds shall have been collected by Seller or Seller's agents, deliver to Buyer an assignment of Seller's right to any such award or other proceeds which may be payable as a result of such taking.
- 3.12 *Brokers.* Each of Buyer and Seller represents and warrants to the other that no broker or real estate sales person has shown the Buyer the Property or called the property to Buyer's attention, and each party will indemnify and hold harmless the other against any liability which such other party is legally obligated to discharge to any broker which is imposed on said party wholly or partly because of the other's relations or contact with such broker or its representative or other person, together with all reasonable legal expenses and costs of that party necessitated in connection therewith.
- 3.13 *Limitation of Seller's Liability.* As a material inducement to Seller to enter into this Agreement, Buyer acknowledges and agrees that Buyer's recourse to Seller for all claims under this Agreement shall be strictly limited to Seller's interest in the Premises, the Business and the Equipment and that neither Seller, nor any of its principles or shareholders shall have any personal liability to Buyer under this Agreement. Buyer further acknowledges and agrees that the provisions of this section 3.13 shall in no respect alter, waive or diminish the release and indemnity protection accorded to Seller under Section 2.8 of this Agreement.

3.14 *Extension of Lease and Purchase.* This lease and the right to purchase the Premises may be extended by the Buyer upon written notice to Seller for an additional time of six (6) months from July 31, 2000 or until January 31, 2001, upon the following terms and conditions:

- (a) That Buyer will pay to Seller the sum of Five Thousand, Three Hundred Dollars (\$5,300.00) per month for each month that the lease purchase agreement is extended, and,
- (b) If Buyer completes closing before July 31, 2000, Buyer shall receive a credit against the purchase price in the amount of \$3,500.00 for each month before April 1, 2000 that closing occurs, but subject to a maximum credit of \$17,500.00.


3.15 *No Recording.* This Agreement may not be recorded.


IN WITNESS WHEREOF, and intending to be legally bound hereby, the parties hereto have executed this Agreement on the day and year first above written.

SELLER:

MAPLE GLEN JIFFY WASH, INC., a/k/a THE EXECUTIVE CAR WASH OF MAPLE GLEN, INC.

BY:



CHARLES PAPPAS, PRESIDENT


CHARLES PAPPAS, INDIVIDUALLY


BUYER:

SANNCO VENTURES, LLC

BY:


MICHAEL SANNUUTI, PARTNER

BY:


MICHAEL SANNUUTI, INDIVIDUALLY